



Program/Project Management and the High-Risk Plan

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Contact Information

Agency-level High-Risk Team Lead

Rita Svarcas

Office of Program and Institutional Integration (OPII)

NASA Headquarters

Rita.Svarcas@nasa.gov

202-358-0464

Agenda



- GAO High-Risk List -- Background
- NASA Status on High-Risk List
- The Seven Initiatives
- Impact on Program/Project Management
 - Definition of Success
 - Supporting Measures
 - Reporting Process
 - Management Oversight
- Next Steps
- Conclusion

GAO High-Risk List – Background

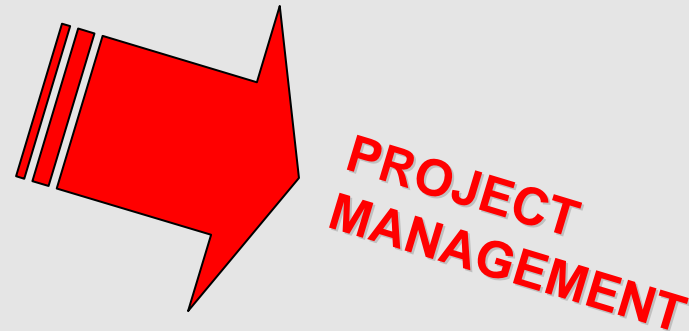


- **U.S. Government Accountability Office (GAO)**
 - Known as
 - “The investigative arm of Congress”
 - “The congressional watchdog.”
 - Supports Congress in meeting its constitutional responsibilities
 - Helps improve performance and accountability of federal government for benefit of American people
- **GAO High-Risk List**
 - Since 1990, periodically Identifies federal programs and operations that are high risk due to
 - Their greater vulnerabilities to fraud, waste, abuse, and mismanagement
 - The need for broad-based transformations to address major economy, efficiency, or effectiveness challenges
 - Lasting solutions to high-risk problems would potentially
 - Save billions of dollars,
 - Dramatically improve service to the public
 - Strengthen confidence and trust in the performance and accountability of the U.S. government
 - Ensure the ability of government to deliver on its promises

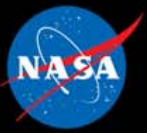
NASA Status on High-Risk List



- “NASA Contract Management”
 - Appeared on first GAO High-Risk List (1990)
 - Remained on list at every update (every two years thereafter)
 - Nature of issue evolved over time
 - Undefined Contractual Actions
 - IFMP
 - Cost Overruns
 - Cost Estimating
- Latest GAO update released January 2009
 - Changes NASA’s risk area to “**Acquisition Management**”
 - A more accurate characterization given breadth of topic
 - Acknowledges NASA’s efforts and progress
 - Summarized in this briefing



The Seven Initiatives



- **Program/Project Requirements and Implementation Practices**
 - NPR 7120, Management Councils, BPR
- **Agency Strategic Acquisition Approach**
 - ASP, ASM, PSM
- **Contractor Cost Performance Monitoring**
 - Requiring, obtaining and using contractor cost data
- **Project Management Training and Development**
 - APPEL
- **Improving Life Cycle Cost/Schedule Management Processes**
 - Performance reporting, cost estimating
- **IEMP Process Improvement**
 - Concept of Operations and Gap Analysis
- **Procurement Processes and Policies**
 - CMM, EVM policy, Award fee policy



- Definition of Success
- Supporting Measures
- Reporting Process
- Management Oversight

Impact on Program/Project Management

DEFINITION OF SUCCESS



NASA will maintain a cost performance level for its portfolio of major development projects that is within 110% of the budget-weighted aggregate cost baseline.

NASA will meet the baseline schedule goals for its portfolio of major development projects, with aggregate schedule slippage falling within 110% of baseline.

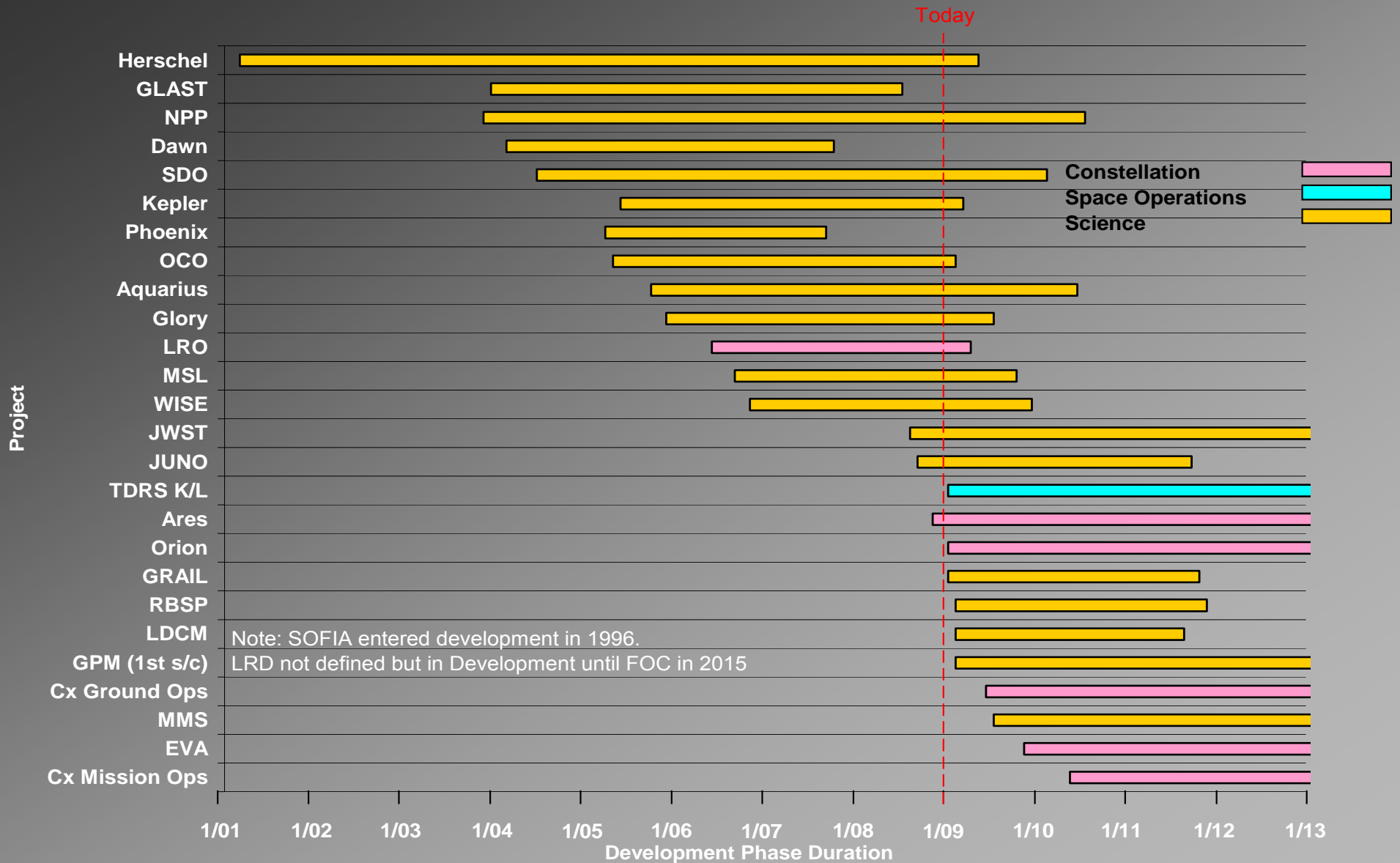
NASA will sustain mission success by staying on-course to meet Level 1 requirements for 90% of its portfolio of major development.

Impact on Program/Project Management: REPORTING PROCESS



- NASA, OMB, and GAO will track NASA performance against Definition of Success
- High-Risk joins several existing Agency-level reporting requirements
 - Annual Performance Plan (APP)
 - Major Program Annual Report (MPAR)
 - Integrated Budget and Performance Plan (IBPD)
 - Performance Assessment Rating Tool (PART)
 - Congressional Thresholds Reporting
 - Cost at 15% and 30% growth
 - Schedule at 6 month slip
 - OMB Program Improvement Plans
 - GAO Quick-Look Books
- NASA Headquarters has consolidated data collection and reporting
 - Integrated reporting schedule
 - Uniform data collection template
 - More consistent definitions and guidance

Existing Projects vs. High Risk Reporting Candidates





Definition of Success and Supporting Measures: Baselines and Targets

UPDATED VERSION: October 20, 2008

Outcomes (Definition of Success)

- 1 NASA will maintain a cost performance level for its portfolio of major development projects that is within 110% of the budget-weighted aggregate cost performance level.
- 2 NASA will meet the baseline schedule goals for its portfolio of major development projects, with aggregate schedule slippage falling within 110% of the baseline schedule goals.
- 3 NASA will sustain mission success by staying on-course to meet Level 1 requirements for 90% of its portfolio of major development projects by 2011.

Supporting Measures

Cost Performance Supporting Measures

Indicators of cost performance for new projects

			Sep-08	Mar-09	Sep-09	Mar-10	Sep-10	Mar-11
1.1	The LCC EAC performance for the portfolio of new major projects.	<i>Target</i>	110%	110%	110%	110%	110%	110%
		<i>Actual</i>	100%					
1.2	The development cost EAC performance for the portfolio of new major projects.	<i>Target</i>	115%	115%	115%	115%	115%	115%
		<i>Actual</i>	100%					
1.3	Percentage of eligible contracts (for new development projects) using Earned Value Management reporting, based on associated deviations granted by the Headquarters Office of Procurement	<i>Target</i>	100%	100%	100%	100%	100%	100%
		<i>Actual</i>	100%					

Indicators of whether the Agency is reducing cost growth over time

1.4	Semi-annual change in portfolio average LCC for new projects.	<i>Target</i>	≤5%	≤5%	≤5%	≤4%	≤4%	≤4%
		<i>Actual</i>	0%					
1.5	Semi-annual change in portfolio average development cost for new projects.	<i>Target</i>	≤5%	≤5%	≤5%	≤4%	≤4%	≤4%
		<i>Actual</i>	0%					

Schedule Performance Supporting Measures

Indicators of schedule performance for new projects

2.1	Percentage change in development schedule EAC for new projects.	<i>Target</i>	110%	110%	110%	110%	110%	110%
		<i>Actual</i>	100%					

Indicators of whether the Agency is reducing schedule growth over time

2.2	Average semi-annual growth in development schedule EAC for new projects.	<i>Target</i>	≤5%	≤5%	≤5%	≤4%	≤4%	≤4%
		<i>Actual</i>	0%					

Mission Success (Level-1) Supporting Measures

Indicators of scope performance for new projects

3.1	The portion of mission success APGs rated green.	<i>Target</i>	90%	n/a	90%	n/a	90%	n/a
		<i>Actual</i>	n/a	n/a		n/a		n/a

Note for purposes of comparison: the set of 13 space flight projects included in external reports through the FY 2009 budget (with SOFIA excluded) have had the following estimated performance as compared to confirmat
LCC: 117%; Development Cost: 123%; Development Schedule: 129%.

Impact on Program/Project Management: MANAGEMENT OVERSIGHT



- **Senior Leadership**
 - Program Management Council
 - Baseline Performance Reviews
 - Status and progress
 - Issues and actions
 - Strategic Management Council
 - Operations Management Council
 - Internal Controls
- **Mission Directorates**
 - Program level
 - Project level
 - Contract level
- **Centers**

- **Jan 09 GAO High-Risk update urges NASA to –**
 - Reduce persistent cost growth and schedule delays
 - Implement planned corrective actions
 - Deliver the kind of analysis and forward-looking information needed to effectively manage complex programs
 - Maintain focus on acquisition management reforms during transition from SSP to Cx
 - Tackle challenges despite increasingly constrained budget
 - Complete IFMP (scheduled for 2009)
 - Sustain vigorous executive leadership to foster expansion of business-oriented culture
 - **Continue commitment to identify and take action on projects that are not achieving cost, schedule or performance goals upon which they were based when they were initiated**

Conclusion



**The Agency needs each of you in the
NASA program/project community to --**

**-- Take part in acquisition management
improvement efforts**

**-- Emphasize cost and schedule
performance management...
just as you do technical performance**